

THE “MUST-KNOWS” OF UTILIZING MY SEP BUDGET

MODULE FOUR

2019

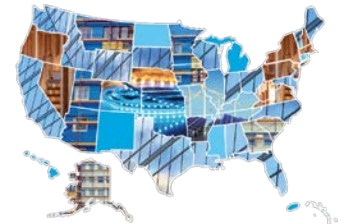


Introduction

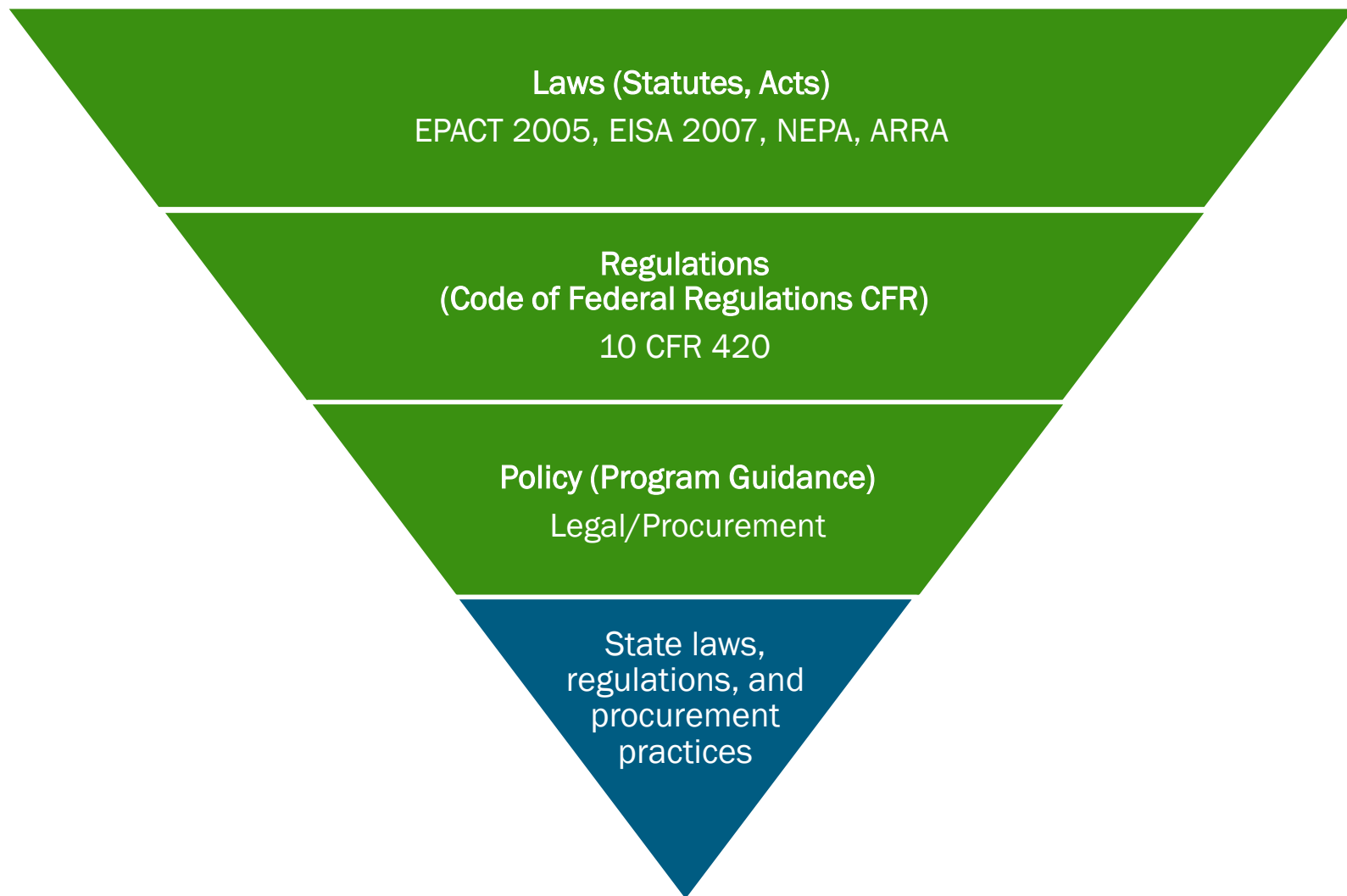
Module Four will provide you with an overview and the “Must Know” specifics of SEP federal financial assistance and technical support to the states.

SEP is a versatile, dynamic program. It fulfills a national mission while meeting regional, state, and local needs. Federal laws and regulations establish the Program’s purpose, set criteria for participation, and define how funds may or may not be used. Each state can propose how it would use its share of funds to address these criteria, along with its own specific conditions.

- Hierarchy of Federal Rules to Feed into Your State’s Laws, Regulations, and Procurement Practices
- What is Mandatory, Optional, Prohibited, and Unallowable
- Link to Regulations for My Award



Hierarchy Of Federal Rules



What I Must Do, May Do, and Cannot Do

SEP is authorized under the Energy Policy and Conservation Act of 1975 ([Public Law 94-163](#)), as amended ([42 U.S.C. 6321 et seq.](#)). All grant awards made under this program shall comply with applicable laws including, but not limited to, the SEP statutory authority [10 CFR 420](#), and [2 CFR 200](#), as amended by [2 CFR 910](#).

Three key aspects of the SEP Regulations include:

- Mandatory Activities – [10 CFR 420.15](#)
 - Minimum criteria for required program activities in state plan
- Optional Activities – [10 CFR 420.17](#)
 - Other program activities that may be included in the state plan
- Prohibited Activities – [10 CFR 420.15](#)
 - Activities and limitations on the use of SEP funds in the state plan.

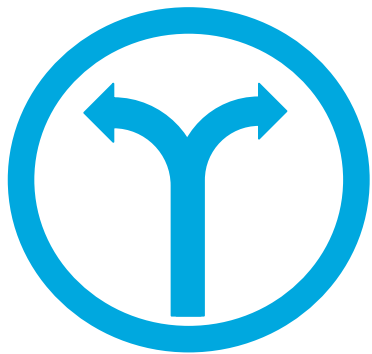
What Is Mandatory



Mandatory Activities:

- Establish mandatory lighting-efficiency standards for public buildings.
- Promote car pools, van pools, and public transportation.
- Incorporate energy efficiency criteria into procurement procedures.
- Permit right turns at red traffic lights and left turns from a one-way street onto a one-way street at a red light after stopping.

What Is Optional



Optional Activities:

- Public education to promote energy efficiency and renewable energy.
- Financing energy efficiency and renewable energy (e.g., ESPC, RLFs).
- Building energy audits.
- Integrated energy planning evaluating a state's energy needs, resources (including energy efficiency), and costs.
- Identifying unfair or deceptive acts or practices.
- Reducing peak demand for energy and improving efficiency of energy supply systems.
- Promoting energy efficiency as an integral component of economic development planning.
- Training and educating building designers and contractors to promote building energy efficiency.
- Pre-feasibility and feasibility studies for projects that use energy efficiency and renewable energy technologies.
- Supplying industrial energy efficiency and combined heat and power.

What Is Prohibited



Prohibitions:

- Funding construction, such as construction of mass transit systems.
- Purchasing land, a building or structure, or any interest therein.
- Subsidizing fares for public transportation.
- Subsidizing utility rate demonstrations or state tax credits for energy conservation or renewable energy measures.
- Conducting or purchasing equipment to conduct research, development, or demonstration of energy efficiency or renewable energy techniques and technologies not commercially available.

Don't Do These – Unallowable Expenses



Unallowable:

- Alcoholic beverages.
- Entertainment.
- Meals in your home town/not traveling, including working lunches.
- Unauthorized airfare upgrades.
- Auto expenses when already being reimbursed for mileage.
- Pre-award costs not previously approved in writing by the contracting officer.
- Cost overruns incurred on other federal awards.
- Contributions or donations, including cash, property, and services.
- Fee or profit for award recipients.
- Direct expenses not related to the Federal project.
- Expenses not ordinary and necessary for the performance of the federal award.
- Advertising and public relations costs not related to the performance of the federal award.
- Bad debt and related collection and legal costs.
- Costs incurred for an organized fundraising activity.
- Contributions or donations, including cash, property, and services.
- Interest on borrowings.
- Lobbying expenses.

Federal Regulations At A Glance

Recipient Type	State and Local Government	Nonprofit Organization	Educational Institutions	Commercial (For-Profit) Organizations
Administrative Requirements	2 CFR Part 200 as amended by 2 CFR Part 910			
Cost Principles	2 CFR Part 200 Subpart E			FAR Part 31 (48 CFR Part 31)
Audit	Single audit			Compliance audit

Other Relevant Laws, Regulations, and Authorities

- Public Law 95-224: [Federal Grant and Cooperative Agreement Act \(FGCAA\)](#)
- Public Law 106-107: [Federal Financial Assistance Management Improvement Act](#)
- [Energy Policy Act of 2005](#) and [Energy Policy Act of 1992 \(EPAAct\)](#)
- [Code of Federal Regulations \(CFR\)](#)

Where Are The Regulations For My Award

Electronic Code of Federal Regulations or e-CFR

<http://www.eCFR.gov>

- Structure of CFR: Title → Chapter → Subchapter → Part → Subpart → Subsection (§).
- Note: When searching e-CFR, keep clicking the subheadings of the section in question until all text appears in chronological sequence in a blue eight-point font.
- Then, press F3, and perform a word search for your particular section of interest (e.g., prior approval, audit, payment, state matching contribution).

Thank You

If you have any questions, please contact your DOE Project Officer.

Next training module: #5 Peer Sharing and Best Practices

